
EXPLANATORY NOTE

(This note is not part of the Regulations)

The Water Act 2014 (c. 21, “the Act”) includes provision designed to promote the availability and affordability of home insurance in areas of high flood risk. These Regulations set out amendments to the existing Flood Reinsurance (Scheme and Scheme Administrator Designation) Regulations 2015 (S.I. 2015/1875) and the Flood Reinsurance (Scheme Funding and Administration) Regulations 2015 (S.I. 2015/1902).

The Flood Reinsurance Scheme is a scheme established for the purpose of providing reinsurance to relevant insurers in respect of such risks arising from a flood as are identified by the scheme.

Regulation 2 revokes the designation of the existing Scheme and designates a new Scheme. It provides that this change is made without prejudice to liabilities and obligations that applied prior to the coming into force of these Regulations.

Regulation 3 amends the total levy figure to £135 million, reduced from £180 million. It provides that this change is made without prejudice to liabilities and obligations that applied prior to the coming into force of these Regulations.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.